
HOUSE BILL No. 1487

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-13.5; IC 27-13.

Synopsis: Health benefit mandate option. Allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to provide a policy or contract without complying with all health benefit mandates.

Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Insurance.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1487

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]:

4 **Chapter 13.5. Health Benefit Mandate Option**

5 **Sec. 1. (a) As used in this chapter, "health benefit mandate"**
6 **means a requirement under this title, except as provided in this**
7 **chapter, for:**

8 (1) **inclusion of coverage for a particular condition or**
9 **treatment in; or**

10 (2) **an offering of coverage for a particular condition or**
11 **treatment that must be made in connection with the purchase**
12 **of;**

13 **a policy of accident and sickness insurance.**

14 (b) **The term does not include a requirement under federal law**
15 **for inclusion of coverage in a policy of accident and sickness**
16 **insurance.**

17 **Sec. 2. As used in this chapter, "insurer" refers to an insurer (as**



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defined in IC 27-1-2-3) that issues or delivers a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. As used in this chapter, "prospective purchaser" means an:

- (1) individual who requests coverage under a policy of accident and sickness insurance issued on an individual basis; or
- (2) employer that:
 - (A) employs not more than seventy-five (75) employees; and
 - (B) requests coverage for the employer's employees under a policy of accident and sickness insurance issued on a group basis.

Sec. 5. Notwithstanding any other law, an insurer may offer to a prospective purchaser a policy of accident and sickness insurance without complying with all health benefit mandates if:

- (1) when the offer is made the insurer provides a list of the health benefit mandates with which the offer does not comply; and
- (2) the policy offered includes the following:
 - (A) Newborn coverage required under IC 27-8-5.6.
 - (B) Diabetes related coverage required under IC 27-8-14.5.
 - (C) If the prospective purchaser is described in section 4(2) of this chapter:
 - (i) breast cancer screening related coverage required under IC 27-8-14;
 - (ii) prostate cancer screening related coverage required under IC 27-8-14.7; and
 - (iii) colorectal cancer screening related coverage required under IC 27-8-14.8.
 - (D) Adopted child coverage required under IC 27-8-5-21.

Sec. 6. An insurer that offers to a prospective purchaser a policy of accident and sickness insurance described in section 5 of this chapter shall also offer to the prospective purchaser a policy of accident and sickness insurance in compliance with all health benefit mandates.

Sec. 7. An insurer that issues or delivers a policy of accident and sickness insurance described in section 5 of this chapter shall provide to an individual insured under the policy of accident and sickness insurance a written disclosure that:

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(1) acknowledges that the policy of accident and sickness insurance is not issued in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the policy of accident and sickness insurance.

SECTION 2. IC 27-13-1-17.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17.6. (a) "Health benefit mandate" means a requirement under this title, except as provided in IC 27-13-7.5, for:

(1) inclusion of coverage for a particular condition or treatment in; or

(2) an offering of coverage for a particular condition or treatment that must be made in connection with the purchase of;

an individual contract or a group contract.

(b) The term does not include a requirement under federal law for inclusion of coverage in an individual contract or a group contract.

SECTION 3. IC 27-13-1-27.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 27.8. "Prospective purchaser" means an:

(1) individual who requests coverage under an individual contract; or

(2) employer that:

(A) employs not more than seventy-five (75) employees; and

(B) requests coverage for the employer's employees under a group contract.

SECTION 4. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 7.5. Health Benefit Mandate Option

Sec. 1. Notwithstanding any other law, a health maintenance organization may offer to a prospective purchaser an individual contract or a group contract without complying with all health benefit mandates if:

(1) when the offer is made the health maintenance organization provides a list of the health benefit mandates

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with which the offer does not comply; and

(2) the contract includes the following:

(A) Newborn coverage that is substantially similar to the coverage required under IC 27-8-5.6.

(B) Diabetes related coverage required under IC 27-8-14.5.

(C) If the prospective purchaser is described in IC 27-13-1-27.8(2):

(i) breast cancer screening related coverage required under IC 27-13-7-15.3;

(ii) prostate cancer screening related coverage required under IC 27-13-7-16; and

(iii) colorectal cancer screening related coverage required under IC 27-13-7-17.

(D) Adopted child coverage required under IC 27-8-5-21.

Sec. 2. A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract in compliance with all health benefit mandates.

Sec. 3. A health maintenance organization that enters into an individual contract or a group contract described in section 1 of this chapter shall provide to an enrollee a written disclosure that:

(1) acknowledges that the individual contract or group contract is not entered into in compliance with all health benefit mandates; and

(2) lists in summary form the health benefits:

(A) to which a health benefit mandate applies; and

(B) for which coverage is provided in the individual contract or group contract.

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